



## Ongoing Disclosure Notice

### Disclosure of Directors and Senior Managers Relevant Interests

Sections 297(2) and 298(2), Financial Markets Conduct Act 2013

|                            |
|----------------------------|
| To NZX Limited; and        |
| Name of listed issuer:     |
| Date this disclosure made: |
| Date of last disclosure:   |

|                    |
|--------------------|
| Xero Limited (XRO) |
| 20 April 2016      |
| 6 April 2016       |

#### Director or senior manager giving disclosure

|                                                 |
|-------------------------------------------------|
| Full name(s):                                   |
| Name of listed issuer:                          |
| Name of related body corporate (if applicable): |
| Position held in listed issuer:                 |

|                                                       |
|-------------------------------------------------------|
| Angus Norton                                          |
| Xero Limited (XRO)                                    |
| Not applicable                                        |
| Ceased role as Chief Product Officer on 15 April 2016 |

#### Summary of acquisition or disposal of relevant interest (excluding specified derivatives)

|                                                      |
|------------------------------------------------------|
| Class of affected quoted financial products:         |
| Nature of the affected relevant interest(s):         |
| <b>For that relevant interest-</b>                   |
| Number held in class before acquisition or disposal: |
| Number held in class after acquisition or disposal:  |
| Current registered holder(s):                        |
| Registered holder(s) once transfers are registered:  |

|                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Ordinary shares in Xero Limited ( <b>Ordinary Shares</b> );<br>(b) Unlisted conditional contractual right to be issued Ordinary Shares ( <b>Restricted Stock Units or RSUs</b> ) |
| (a) Legal ownership of Ordinary Shares; (b) Holder of RSUs, subject to the terms of the Xero Limited Restricted Stock Unit Plan (NZ) ( <b>NZ Plan</b> )                              |
| (a) 37,772; (b) 27,543                                                                                                                                                               |
| (a) 50,772; (b) None                                                                                                                                                                 |
| (a) Angus Norton; (b) Angus Norton                                                                                                                                                   |
| (a) Angus Norton; (b) Not applicable                                                                                                                                                 |

#### Summary of acquisition or disposal of specified derivatives relevant interest (if applicable)

|                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type of affected derivative:                                                                                                                                                                          |
| Class of underlying financial products:                                                                                                                                                               |
| <b>Details of affected derivative-</b>                                                                                                                                                                |
| The notional value of the derivative (if any) or the notional amount of underlying financial products (if any):                                                                                       |
| A statement as to whether the derivative is cash settled or physically settled:                                                                                                                       |
| Maturity date of the derivative (if any):                                                                                                                                                             |
| Expiry date of the derivative (if any):                                                                                                                                                               |
| The price specified in the terms of the derivative (if any):                                                                                                                                          |
| Any other details needed to understand how the amount of the consideration payable under the derivative or the value of the derivative is affected by the value of the underlying financial products: |
| <b>For that derivative,-</b>                                                                                                                                                                          |
| Parties to the derivative:                                                                                                                                                                            |
| If the director or senior manager is not a party to the derivative, the nature of the relevant interest in the derivative:                                                                            |

|                |
|----------------|
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |

#### Details of transactions giving rise to acquisition or disposal

|                                                       |
|-------------------------------------------------------|
| Total number of transactions to which notice relates: |
| <b>Details of transactions requiring disclosure-</b>  |
| Date of transaction:                                  |

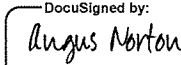
|               |
|---------------|
| 2             |
| 15 April 2016 |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nature of transaction:                                                                                                                                                                                                     | (a) Issue of Ordinary Shares upon vesting of RSUs allocated under the NZ Plan;<br>(b) Forfeiture of remaining RSUs held by Angus Norton in connection with Angus Norton's cessation of employment with the Xero Limited Group                                                                                  |
| Name of any other party or parties to the transaction (if known):                                                                                                                                                          | Not applicable                                                                                                                                                                                                                                                                                                 |
| The consideration, expressed in New Zealand dollars, paid or received for the acquisition or disposal. If the consideration was not in cash and cannot be readily converted into a cash value, describe the consideration: | (a) 13,000 Ordinary Shares were issued upon vesting of 13,000 RSUs granted under the NZ Plan. No cash consideration was required to be paid for the RSUs to vest;<br>(b) 14,543 RSUs held by Angus Norton were forfeited in connection with Angus Norton's cessation of employment with the Xero Limited Group |
| Number of financial products to which the transaction related:                                                                                                                                                             | 1                                                                                                                                                                                                                                                                                                              |
| <i>If the issuer has a financial products trading policy that prohibits directors or senior managers from trading during any period without written clearance (a closed period) include the following details—</i>         |                                                                                                                                                                                                                                                                                                                |
| Whether relevant interests were acquired or disposed of during a closed period:                                                                                                                                            | Yes                                                                                                                                                                                                                                                                                                            |
| Whether prior written clearance was provided to allow the acquisition or disposal to proceed during the closed period:                                                                                                     | Not applicable. Issue of Ordinary Shares upon vesting of RSUs and forfeiture of RSUs in connection with Angus Norton's cessation of employment with the Xero Limited Group, in accordance with the NZ Plan                                                                                                     |
| Date of the prior written clearance (if any):                                                                                                                                                                              | Not applicable                                                                                                                                                                                                                                                                                                 |

**Summary of other relevant interests after acquisition or disposal:**

|                                                                                                                                                                                                       |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Class of quoted financial products:                                                                                                                                                                   | Not applicable |
| Nature of relevant interest:                                                                                                                                                                          | Not applicable |
| <i>For that relevant interest, -</i>                                                                                                                                                                  |                |
| Number held in class:                                                                                                                                                                                 | Not applicable |
| Current registered holder(s):                                                                                                                                                                         | Not applicable |
| <i>For a derivative relevant interest, -</i>                                                                                                                                                          |                |
| Type of derivative:                                                                                                                                                                                   | Not applicable |
| <b>Details of derivative, -</b>                                                                                                                                                                       |                |
| The notional value of the derivative (if any) or the notional amount of underlying financial products (if any):                                                                                       | Not applicable |
| A statement as to whether the derivative is cash settled or physically settled:                                                                                                                       | Not applicable |
| Maturity date of the derivative (if any):                                                                                                                                                             | Not applicable |
| Expiry date of the derivative (if any):                                                                                                                                                               | Not applicable |
| The price's specified terms (if any):                                                                                                                                                                 | Not applicable |
| Any other details needed to understand how the amount of the consideration payable under the derivative or the value of the derivative is affected by the value of the underlying financial products: | Not applicable |
| <i>For that derivative relevant interest, -</i>                                                                                                                                                       |                |
| Parties to the derivative:                                                                                                                                                                            | Not applicable |
| If the director or senior manager is not a party to the derivative, the nature of the relevant interest in the derivative:                                                                            | Not applicable |

**Certification**

|                                                                                                                                                                                                           |                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| I certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made. |                                                                                                                              |
| Signature of director or officer:                                                                                                                                                                         | DocuSigned by:<br><br>EF68AD4D11F843E... |
| Date of signature:                                                                                                                                                                                        | 4/18/2016   10:22:47 NZST                                                                                                    |